

# **University of Idaho**

**NCAA Agreed-Upon Procedures Report  
for the Year Ended June 30, 2005**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

Dr. Timothy P. White  
President  
University of Idaho  
Moscow, Idaho

Idaho State Board of Education  
Boise, Idaho

We have performed the procedures enumerated below, which were agreed to by the Idaho State Board of Education, solely to assist the University of Idaho (the "University") Intercollegiate Athletics Department (the "Department") in complying with the NCAA Bylaw 6.2.3.1 for the year ended June 30, 2005. The University is responsible for this Schedule of Revenues and Expenditures (the "Schedule") and the Schedule's compliance with Bylaw 6.2.3.1. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the management of the University. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

**Internal Control: Policies and Procedures Related to Department – Agreed Upon Procedures**

1. We selected a random sample of four team travel expense reimbursements forms, from four different sports, that included team per diem meal reimbursements. We inspected the reimbursement forms to determine if financial management is monitoring expenses for compliance with established allowable expense guidelines. For the sample we selected, we found that financial management is monitoring expenses for compliance with established allowable expenditure guidelines. No exceptions were identified.
2. We were not able to examine travel card statements of the department as the department did not have travel cards available for use during fiscal year 2005.

**External Organizations – Agreed Upon Procedures**

1. We obtained a listing from management of outside organizations that made contributions directly to the Department.
2. We confirmed with the sole outside organization, University of Idaho Foundation (Foundation) the total contributions made to the Department for the year ended June 30, 2005, and compared these to revenues recorded by the Department in the general ledger.

We noted that the contributions reported by the Foundation agreed to amounts recorded by the Department.

3. We obtained and read the audited financial statements for the University of Idaho Foundation for the year ended June 30, 2005. In addition, we inquired of officials at the Foundation and noted that they were not aware of any reports regarding matters related to internal control.
4. We confirmed the amount of expenditures paid by the Foundation on behalf of the Department and compared the amounts to the revenues recorded by the Department, noting no differences.

In addition, we noted that the Department received trade-out and in-kind contributions in the amount of \$309,950. These amounts were based on estimates by management and amounts recognized by the Foundation as contributions. The payments made directly by the Boosters for the benefit of the Department and the trade-out and in-kind contributions have been recorded in the Schedule.

#### **Capital Assets, Additions and Improvements of Facilities**

1. We were not able to obtain a listing of total intercollegiate athletics capitalized assets, additions and improvements of facilities summarized by type. This is due to the fact that there are no capitalized assets recorded by the Department. All capitalized assets that are used by Athletics are obtained, tracked, and recorded by Auxiliary Services.
2. We obtained the institution's policies and procedures for acquiring, approving, depreciating and disposing of intercollegiate athletics related assets. We noted that all capitalized assets used by University Athletics are accounted for in Auxiliary Services.
3. We were not able to select significant capitalized additions made by the Department during the reporting period (greater than 10% of total capital additions) and agree the recorded cost of each selection to supporting documentation because there are no capitalized assets recorded by the Department.

#### **Schedule of Revenues and Expenditures – Agreed Upon Procedures**

1. We obtained the Schedule prepared by management for the year ended June 30, 2005, which is attached to this report. We proved the arithmetical accuracy of the Schedule and compared the amounts in the Schedule to applicable accounts in the Department's general ledger and found them to be in agreement.
2. We compared revenues and expenditures in the Schedule for the year ended June 30, 2005 to revenues and expenditures in the Schedule for the year ended June 30, 2004 and discussed the differences with the Department's management. We obtained explanations for all variances between current year and prior year revenues and expenditures in excess of \$100,000.
3. We compared revenues and expenditures in the Schedule to budgeted amounts for the year ended June 30, 2005. We obtained explanations for all variances between budget and actual revenues and expenditures in excess of \$100,000.

**Minimum procedures for Revenues and Expenditures**

1. We compared and agreed each operating revenue category reported in the Schedule during the reporting period to supporting schedules provided by the institution and found them to be in agreement.
2. We selected a random sample of 5 athletic operating revenue receipts. We compared and agreed the sample items to supporting documentation and found them to be in agreement.
3. We compared the value of tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets, to the related revenue reported by the institution in the Schedule. No exceptions were noted.
4. We recalculated totals for tickets sold during the reporting period presented in the Schedule without exception.
5. We compared direct institutional support for athletics recorded by the institution during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation. No exceptions were noted.
6. We recalculated direct state or other governmental support totals presented in the Schedule without exception.
7. We compared and agreed broadcast, television, radio, and internet rights revenues to the institution's general ledger, and the Schedule without exception.
8. We recalculated broadcast, television, radio, and internet rights revenues presented in the Schedule without exception.
9. We obtained a listing of sports camp participants and randomly selected 5 individual camp participant cash receipts. We agreed each selection to the institution's general ledger and found them to be in agreement.
10. We recalculated sports-camp revenue totals presented in the Schedule without exception.
11. We compared and agreed each operating expense category reported in the Schedule during the reporting period to supporting documentation provided by the institution and found them to be in agreement.
12. We selected a random sample of 5 athletic operating expense receipts. We compared and agreed the sample to supporting documentation and found them to be in agreement.
13. We recalculated totals for each major expense account reported in the Schedule without exception.
14. We selected a random sample of 5 student athletes from the listing of institutional student aid recipients during the reporting period. We obtained individual student-account detail for each selection and compared total aid allocated from the related aid award letter to the student and found them to be in agreement.
15. We recalculated totals for athletic student aid presented in the Schedule without exception.
16. We selected a random sample of 5 athletic support staff/administrative personnel employed by the institution and related parties during the reporting period. We compared

and agreed related W-2s, 1099s, etc. to the related support staff/administrative salaries, benefits and bonuses paid by the institution and recorded as an expense by the institution in the Schedule during the reporting period without exception.

17. We recalculated support staff/administrative salaries, benefits and bonuses paid by the institution and related entities reported in the Schedule without exception.
18. We selected a random sample of 5 game-related expenses and agreed each expense to supporting documentation and found them to be in agreement.
19. We recalculated totals for game expenses reported in the Schedule without exception.
20. We selected a random sample of 5 direct facilities, maintenance and rental expenses and agreed them to supporting documentation without exception.
21. We recalculated totals for direct facilities, maintenance and rental expenses reported in the Schedule without exception.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the compliance of the accompanying Schedule of Revenues and Expenditures of Intercollegiate Athletics at University of Idaho. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the University, the Idaho State Board of Education, and authorized representatives of the NCAA and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams LLP*

Eugene, Oregon  
August 25, 2005

UNIVERSITY OF IDAHO INTERCOLLEGIATE ATHLETICS DEPARTMENT  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2005 (Unaudited)

	Football	Men's Basketball	Other Men's Sports	Women's Basketball	Women's Volleyball	Other Women's Sports	Non-Program Specific	Totals Memo Only
<b>OPERATING REVENUES:</b>								
Ticket Sales	95,500	26,544	-	14,348	3,971	-	-	140,363
Student Fees	-	-	-	-	-	-	1,851,406	1,851,406
Guarantees	855,000	38,552	-	1,000	-	-	-	894,552
Contributions	86,320	200	17,644	6,550	120	28,392	1,807,328	1,946,554
Direct State/Govt Support	787,129	333,185	128,205	222,910	167,429	200,775	554,198	2,393,831
Direct Institutional Support	-	-	-	-	-	-	621,600	621,600
NCAA/Conference/Tournaments	12,218	10,992	5,069	15,695	-	5,069	474,309	523,353
Broadcast TV/Radio Rights	-	-	-	-	-	-	128,042	128,042
Program/Novelty Sales, Concessions, Pa	2,265	-	-	-	-	-	28,774	31,040
Royalty, Advertisement, Sponsorship	-	-	-	-	-	-	505,337	505,337
Sport Camp Revenues	153,541	49,219	-	22,420	54,332	4,804	200	284,516
Endowment/Investment Income	-	-	-	-	-	-	167,482	167,482
Other	4,194	-	7,086	474	801	4,127	49,258	65,940
<b>Subtotal</b>	<b>1,996,166</b>	<b>458,692</b>	<b>158,004</b>	<b>283,397</b>	<b>226,652</b>	<b>243,167</b>	<b>6,187,936</b>	<b>9,554,015</b>
Gift-in-Kind Revenue	35,000	14,000	2,000	10,500	7,000	5,500	235,950	309,950
O&T Revenue	559,823	105,385	169,435	120,313	92,977	348,065	135,704	1,531,702
<b>Subtotal</b>	<b>594,823</b>	<b>119,385</b>	<b>171,435</b>	<b>130,813</b>	<b>99,977</b>	<b>353,565</b>	<b>371,654</b>	<b>1,841,652</b>
<b>Total operating revenues</b>	<b>2,590,989</b>	<b>578,077</b>	<b>329,439</b>	<b>414,210</b>	<b>326,629</b>	<b>596,732</b>	<b>6,559,590</b>	<b>11,395,667</b>

<b>OPERATING EXPENDITURES:</b>								
Athletics Student Aid	883,545	131,136	170,469	148,703	119,386	630,909	10,161	2,094,309
Guarantees	150,000	6,700	-	2,500	-	-	-	159,200
Coaching Salary/Benefits - UI	782,370	333,077	133,705	227,419	178,698	279,715	-	1,934,984
Non UI Coaches Compensation	70,000	63,000	2,000	16,000	17,000	6,000	-	174,000
Admin Staff Salary/Benefits - UI	29,282	1,898	-	1,775	-	-	1,504,765	1,537,720
Non UI Admin Staff Compensation	-	-	-	-	-	-	5,000	5,000
Severance Payments	-	13,672	-	-	-	-	-	13,672
Recruiting	158,762	76,017	5,222	33,226	23,086	32,553	17,556	346,423
Team Travel	510,733	142,133	118,107	141,926	85,744	257,087	-	1,255,730
Equipment, Uniforms and Supplies	91,935	12,346	38,456	12,064	9,428	61,435	40,433	266,097
Game Expenses	105,277	56,573	4,118	49,013	19,091	10,646	-	244,718
Fund Raising, Marketing, Promotion	-	-	-	-	-	-	207,813	207,813
Sports Camp Expenses	135,571	38,915	-	9,256	73,083	6,226	-	263,051
Direct Facilities/Maint/Rentals	12,642	370	648	-	-	1,148	-	30,479
Medical Expenses & Insurance	-	-	-	-	-	-	240,383	240,383
Memberships & Dues	-	-	-	-	-	-	48,315	50,705
Other Operating Expenses	131,708	48,589	12,702	26,900	16,661	35,816	428,731	701,106
<b>Subtotal</b>	<b>3,061,825</b>	<b>924,426</b>	<b>486,245</b>	<b>668,892</b>	<b>542,232</b>	<b>1,322,943</b>	<b>2,518,829</b>	<b>9,525,391</b>
Gift-in-Kind Expense	35,000	14,000	2,000	10,500	7,000	5,500	235,950	309,950
O&T Expense	559,823	105,385	169,435	120,313	92,977	348,065	135,704	1,531,702
<b>Subtotal</b>	<b>594,823</b>	<b>119,385</b>	<b>171,435</b>	<b>130,813</b>	<b>99,977</b>	<b>353,565</b>	<b>371,654</b>	<b>1,841,652</b>
<b>Total operating Expenses</b>	<b>3,656,648</b>	<b>1,043,811</b>	<b>657,680</b>	<b>799,705</b>	<b>642,209</b>	<b>1,676,508</b>	<b>2,890,483</b>	<b>11,367,043</b>
<b>Net Income/(deficit)</b>	<b>(1,065,659)</b>	<b>(465,733)</b>	<b>(328,241)</b>	<b>(385,494)</b>	<b>(315,580)</b>	<b>(1,079,776)</b>	<b>3,669,107</b>	<b>28,623</b>

# **UNIVERSITY OF IDAHO**

## **INTERCOLLEGIATE ATHLETICS DEPARTMENT NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES YEAR ENDED JUNE 30, 2005 (Unaudited)**

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of revenues and expenditures has been prepared on the accrual basis of accounting.

### **2. VANDAL BOOSTERS INC. AND CASH GIFTS**

The University of Idaho has one booster organization established on behalf of the intercollegiate athletic programs. The sole purpose and activity of Vandal Boosters, Inc. is generating monies, goods and services for the University of Idaho Intercollegiate Athletics Department. Vandal Boosters, Inc. receives its contributions from individuals through a variety of fund raising activities such as membership dues, auctions, golf outings, etc. For the year ended June 30, 2005, University of Idaho Foundation (UIF) and the Vandal Boosters, Inc. contributed \$1,277,129 to the University's Intercollegiate Athletic Programs.

Additionally, the University of Idaho Central Administration allocated \$669,425 of unrestricted gifts received from the UIF to the Department of Athletics in recognition of Athletics role in promoting the University.

### **3. NON-CASH ITEMS.**

The University of Idaho received \$309,950 in non-cash trade-out and gift in-kind contributions. Of this amount, \$7,560 came through the Vandal Scholarship Fund, and \$302,390 came directly into Athletics from other entities. In addition, the University provided Out-of-State Tuition Waivers valued at \$1,531,702.

### **4. STUDENT FEES**

A portion of the fees paid by students is designated for athletics in accordance with the fee schedule approved by the State Board of Education. The Athletics Department does not allocate these fees to sport programs, but recognizes them all centrally as non-program specific revenue.

### **5. CAPTIALIZATION OF ASSETS**

The Athletics Department does not own any of the facilities it uses, or any depreciable assets. All capitalized assets are accounted for in the Auxiliary Services enterprises. Non-capitalized assets are expenses in the period they are acquired.

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